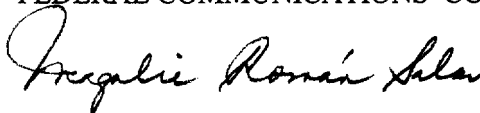


192. IT IS FURTHER ORDERED that the Petition for Reconsideration of the *Local Competition First Report and Order* filed by WinStar IS GRANTED to the extent discussed in Section IV.D and otherwise IS DENIED.

193. IT IS FURTHER ORDERED that the Petition for Environmental Impact Statement filed by the National League of Cities, the National Association of Counties, the Michigan Municipal League, and the Texas Coalition of Cities for Utility Issues IS DENIED as discussed in Section IV.E, except to the extent that the Petition concerns issues raised in the Notice of Inquiry portion of the *Competitive Networks NPRM*, which will be addressed separately at a later time.

194. IT IS FURTHER ORDERED that the Commission's Consumer Information Bureau, Reference Information Center, SHALL SEND a copy of this *First Report and Order and Further Notice of Proposed Rulemaking, Fifth Report and Order and Memorandum Opinion and Order, and Fourth Report and Order and Memorandum Opinion and Order*, including the Final Regulatory Flexibility Analysis and the Initial Regulatory Flexibility Analysis, to the Chief Counsel for Advocacy of the Small Business Administration in accordance with Sections 603(a) and 604(b) of the Regulatory Flexibility Act, Pub. L. No. 96-354, 94 Stat. 1164, 5 U.S.C.A. §§ 603(a), 604(b).

FEDERAL COMMUNICATIONS COMMISSION



Magalie Roman Salas
Secretary

APPENDIX A
List of Commenters

Comments	Receipt Date
411 Co., Ltd	08/27/99
Acadiana Apartment Assn.	08/09/99
ACUTA (Education Parties)	08/27/99
Ada Township	08/04/99
Adelphia Business Solutions	08/27/99
Adelphia Communications Corporation	08/27/99
AIMCO	08/16/99
Allen House Apartments	08/23/99
Alliance Residential Management, L.L.C.	08/13/99
Allied Riser Communications Corporation	08/27/99
Alvarado Realty Company	08/13/99
Alvarado Realty Company	08/24/99
Amalgamated Housing Corporation	08/27/99
American Electric Power Service Corporation, et al.	08/27/99
American Shelter Management Company, Inc.	08/20/99
American Water Works Assn.	08/27/99
Ameritech	08/27/99
AMLI Residential	08/19/99
Anchor Estates	08/27/99
Apartment & Office Build. Assn. of Metro. Washington	08/11/99
Apartment Assn. California Southern Cities	08/23/99
Apartment Assn. of greater New Orleans, Inc.	08/16/99
Apartment Assn. of Louisiana	08/09/99
Apartment Investment and Management Company	08/23/99
Apex Site Management, Inc.	08/27/99
Archon Group	08/25/99
Arden Realty, Inc.	08/27/99
Arrowhead Management Company	08/25/99
Artcraft Companies	08/09/99
Assn. for Local Telecommunications Services (ALTS)	08/27/99
AT&T Corp. (AT&T)	08/27/99
Avista Corporation	08/27/99
Ballard Companies	08/16/99
Barton Farms	08/27/99
Baton Rouge Apartment Association, Inc.	08/19/99

Beacon Residential Management	08/19/99
Bell Atlantic	08/27/99
BellSouth Corporation (BellSouth)	08/27/99
Benchmark Apartments	08/24/99
Benicia California	08/17/99
Berkshire Industrial Corporation	08/24/99
Berkshire Realty Company, Inc.	08/17/99
Berkshire Springs	08/24/99
Bexley Village	08/27/99
BGK Properties	08/23/99
Black Rock Cable / John Kehres	08/12/99
Bloomfield Township	07/30/99
Blue Star Communications, Inc.	08/27/99
BOMA Saint Paul (BOMA)	08/13/99
Bowen Real Estate Group	08/16/99
Braden Fellman Group, Ltd.	08/19/99
Bradford Management Company of Dallas	08/09/99
Brandon Glen Apartment Homes	08/12/99
Brandywine Realty Trust	08/16/99
Bridgedale Terrace Apartments	08/20/99
Brigantine Group, Inc.	08/04/99
Brookfield Commercial Properties Inc.	08/12/99
Brookmeadow	08/27/99
Buckeye Real Estate	08/24/99
Burton's Landing	08/27/99
Burtonsville Office Park Limited Partnership	08/13/99
C & G Investment Associates	08/24/99
CAIS, Inc.	08/27/99
California Public Utilities Commission	08/12/99
CAMCO, Inc.	08/20/99
Carbon Development Corp.	08/13/99
CarrAmerica Realty Corporation	08/26/99
Cellular Telecommunications Industry Assn.	08/27/99
Center Management Corporation	08/16/99
Central Management, Inc.	08/26/99
Central Texas Communications, Inc.	08/27/99
CHARLES BOPP	08/13/99
Charter Properties Inc.	08/12/99
Charter Township of Harrison	07/26/99
Charter Township of Ypsilanti	08/20/99
Chris Pierquet	08/26/99
Cincinnati Bell Telephone Company	08/27/99

Cinergy Corp.	08/27/99
City & County of San Francisco	08/27/99
City Milan	07/28/99
City of Alpena	07/30/99
City of Antigo Housing Authority	08/23/99
City of Arlington Texas	08/09/99
City of Arvada	08/23/99
City of Bakersfield	08/24/99
City of Belding	08/02/99
City of Bellingham Washington	08/17/99
City of Benicia	08/13/99
City of Bremerton	08/02/99
City of Burnsville	08/27/99
City of Cadillac	07/30/99
City of Carrollton	08/11/99
City of Coconut Creek	08/06/99
City of Coopersville	08/23/99
City of Denton	08/16/99
City of Dublin	08/09/99
City of Fontana	08/16/99
City of Garland	08/16/99
City of Grand Praire Texas	08/02/99
City of Irondale	08/11/99
City of Ishpeming	08/13/99
City of Kentwood	08/09/99
City of Longview Texas	07/26/99
City of Loveland	07/28/99
City of Malibu	07/30/99
City of Marshall	08/06/99
City of Medina	08/02/99
City of Missouri City	08/03/99
City of Mont Belvieu	08/06/99
City of Plano	08/09/99
City of Richmond, Virginia	08/13/99
City of Rockwall	08/16/99
City of Schertz, Texas	08/02/99
City of Springfield	08/23/99
City of Tamarac	08/17/99
City of Tecumseh, Michigan	08/16/99
City of Walker	07/26/99
City of Waukesha	08/23/99
City of Westland	07/28/99

City of White Plains	08/13/99
City of Wyoming	07/30/99
Clark County Home Builders Assn.	08/17/99
Clark Whitehill	08/16/99
Codina Development Corporation	08/16/99
Coldwell Banker Commercial Hilgenberg Realtors	08/23/99
Colonial Properties Trust	08/13/99
Colony North	08/25/99
Commonwealth Edison Co.	07/26/99
Community Associations Institute et al.	08/27/99
Community Housing Improvement Program, Inc.	07/20/99
Competition Policy Institute	08/27/99
Competitive Telecommunications Association	08/26/99
Cornerstone Properties Inc. (Cornerstone et. al.)	08/26/99
Cooperative Housing Coalition	08/27/99
Coordinating Council of Cooperatives	08/27/99
Cornerstone Real Estate Advisers, Inc.	08/27/99
Corporate Office Properties	08/13/99
Covertry Apartments, DePere, WI	08/26/99
Crescent	08/12/99
Cross Roads Apartments	08/27/99
Crown Pointe Apartments	08/27/99
Curtin Company	08/09/99
Dallas Wireless Broadband, L.P.	08/27/99
Department of Defense / Army	08/12/99
Diamond Lake Apartment Homes	08/27/99
DMHA	08/20/99
Draper and Kramer	08/26/99
Drucker & Flak, LLC	08/26/99
Duke-Weeks Realty Corporation	08/27/99
Dunwoody Court Condo Assoc.	08/09/99
East Group Properties	08/27/99
Eastland Apartments	08/27/99
EBMC	08/20/99
ECI Management Corporation	08/13/99
Edgewood Management Corporation	08/16/99
Electric Utilities Coalition	08/27/99
Ellis Erb, Inc.	08/04/99
Ensemble Communications, Inc.	08/27/99
Entergy Services, Inc.	08/27/99
Epoch Management Incorporated	08/19/99
EPT Management Company	08/16/99

Equity Office Properties Trust	08/27/99
Essex Property Trust, Inc.	08/26/99
Etkin & Co.	08/17/99
FDC Management, Inc.	08/24/99
Federation of New York Housing Cooperatives	08/26/99
First Centrum, L.L.C.	08/16/99
First Housing Corporation	08/16/99
First Regional TeleCOM, LLC	08/27/99
Fixed Wireless Communications Coalition	08/27/99
Flagstone	08/24/99
Flordia Power & Light Company	08/26/99
Fox Lake Manor Apartments	08/24/99
Fox Meadow	08/27/99
Foxtree Apartments	08/24/99
Frye Properties	08/11/99
FSC Realty, LLC	08/16/99
Gene B. Glick Company Inc.	08/13/99
General Communications, Inc.	08/27/99
General Growth Properties, Inc.	08/12/99
Gilmour Court Apts., Inc.	08/11/99
Ginsburg Development, LLC	08/18/99
Given & Spindler Companies	08/23/99
Glenwood Management Corporation	08/12/99
Global Crossing Ltd	08/27/99
Golf Side Apartments	08/24/99
Great Atlantic Real Estate-Property Management	08/16/99
Green Store Partners LLC	08/27/99
Greenbelt Homes, Inc.	08/16/99
Gross Builders	08/26/99
Gryboski Rental Properties	08/26/99
GTE	08/27/99
Hampton Management Co.	08/12/99
Harbert Realty Services of Flordia, Inc.	08/26/99
Hendersen-Webb, Inc.	08/18/99
Hepfner Smith Airhart & Day, Inc.	08/16/99
Heritage Apartments	08/27/99
HighSpeed.Com, L.L.C.	08/27/99
Hillcrest Apartments	08/24/99
Hoppe and Harner	08/16/99
Horne Companies, Inc.	08/20/99
Hunter's Glen Apartment	08/24/99
Huntington Brook	08/24/99

Huntington Lakes	08/24/99
ICG Telecom Group, Inc.	08/27/99
Independent Cable & Telecommunications Assn.	08/27/99
Insignia/ESG of Colorado, Inc.	08/17/99
Institute of Real Estate Management	08/26/99
Inverness Properties, LLC	08/16/99
Jamestown Homes, Inc.	08/26/99
Jaymont Realty Incorporated	08/16/99
Jefferson West Apt's.	08/24/99
John M. Stone Management Corporation	08/02/99
JP Realty, Inc.	08/16/99
Kaftan Enterprises, Inc.	08/16/99
Kaiserman Company Inc.	08/16/99
Kansas City Power & Light Company	08/27/99
Kessler Homes, Inc.	08/16/99
Knight Company	08/09/99
Koll Development Company	08/16/99
Kontogiannis Companies	08/24/99
L&B Realty Advisors, Inc.	08/16/99
L&C Land & Co.	08/27/99
LaCrosse Apartments and Carriage House	08/16/99
League of Oregon Cities	08/05/99
Leon N. Weiner & Associates, Inc.	08/20/99
Level 3 Communications	08/27/99
Liberty Heights at Northgate	08/24/99
Lincoln Property Company	08/24/99
Lincoln Springs	08/26/99
Lincolnshire Townhouse Cooperative, Inc.	08/26/99
Lincolnwood Cooperative, Inc.	08/26/99
Lloyd Companies	08/13/99
Local and State Government Advisory Committee	08/05/99
Manchester Village , Inc.	08/26/99
Manco Abbott, Inc.	08/11/99
Mark III Management Corporation	08/26/99
Maxim Property Management	08/24/99
Mayor City of Jacksonville Beach	08/05/99
McDougal Companies	08/10/99
MCI WorldCom, Inc	08/27/99
McLeodUSA Advanced Telecommunication Services	08/26/99
McNeil Real Estate Management, Inc.	08/16/99
Melvin Mark Companies	08/17/99
Metricom, Inc.	08/27/99

Metromedia Fiber Network Services, Inc.	08/27/99
Mid- America Management	08/12/99
Mid- Atlantic Realty Company Inc.	08/12/99
Mid-America Apartment Communities	08/09/99
Mike Tisiker	08/12/99
Millpond Apartments Limited Partnership	08/24/99
Minnesota Power, Inc.	08/27/99
Missouri Apartment Assn.	08/09/99
Mitchell Investments	08/16/99
Montgomery Village Foundation	08/25/99
National Association of Counties, et al.	08/27/99
New Millenium Enterprises, Inc.	08/13/99
NEXTLINK Communications, Inc.	08/27/99
North American Realty	08/12/99
North Shore Cable Commission	08/23/99
North Village Apartments	08/16/99
Nottingham Apartments	08/27/99
NY City Depart. of Info.Tech. & Telecommunications	08/13/99
NY Department of Public Service	08/13/99
Olnick Organization	08/12/99
Omni Properties, Inc.	08/09/99
OpTel, Inc. (OpTel)	08/27/99
Orchard Glen Cooperative, Inc.	08/26/99
Palm Springs II Condominium Association, Inc.	08/09/99
Parkway Properties	08/25/99
Partners Management Company	08/13/99
Paul B. Whitty	08/16/99
PCRM	08/13/99
Peppercorn Apartments	08/27/99
Personal Communications Industry Association	08/27/99
Philard Corporation	08/13/99
Philip J. McBride	08/17/99
Pine Crest Apartments	08/23/99
Plantation Ridge	08/12/99
Pleasant Woods Apartments	08/24/99
Polen Mortgage & Realty Co.	08/26/99
Polinger Shannon & Luchs Company, AMO	08/11/99
Port O'Call Apartments	08/20/99
Post Properties, Inc.	08/17/99
Prairie Creek Apartments	08/22/99
Prescott Place Apartments	08/24/99
Pressly Development Company, Inc.	08/11/99

Princeton Properties Management, Inc.	08/09/99
Providence Apartment Homes	08/24/99
Pyramid Developments, LLC	08/13/99
Radwyn Garden Apartments	08/27/99
Rand Commerical Brokers	08/19/99
RCN Corporation	08/27/99
Real Access Alliance	08/24/99
Real Estate Board of New York	08/13/99
Realvest, R.E. Broker	08/24/99
Regal Crest Village/Regal Crest West	08/16/99
Regency Manor Apartments	08/24/99
RF Development, L.L.C.	08/27/99
RF/Max Commerical Investment	08/12/99
Ridgedale I Apartments	08/23/99
Rittenhouse Claridge	08/24/99
River Park Development Co.	08/16/99
River Park West, Inc.	08/16/99
Robinson Township	08/02/99
Roc-Century Associates	08/12/99
Royal Park Townhouses Assn.	08/09/99
S.L. NUSBAUM Realty Co.	08/16/99
Samuel L. Dolnick (condominium homeowner)	08/11/99
San Diego County Apartment Assn.	08/16/99
SBC Communications Inc.	08/27/99
Security Capital Group Inc.	08/27/99
Seldin Company	08/25/99
Shaker Square	08/27/99
Shared Communications Services, Inc.	08/27/99
Signature Management Corporation	08/12/99
Silverwood Associates, Inc.	08/16/99
Sizeler Real Estates Management Co., Inc.	08/27/99
Skyline Plaza Council of Co-Owners	08/16/99
Skyline Property Management, Inc.	08/17/99
South Central Wireless, Inc.	08/27/99
Southview Apartments	08/27/99
Southwestern Oakland Cable Commission	07/28/99
SpectraPoint Wireless LLC	08/26/99
Spectrum Properties, LC	08/24/99
Sprint Corporation	08/27/99
St. John's Housing Corporation	08/20/99
State Wide Investors Inc.	08/26/99
Sterling House	08/27/99

Stonefield Manor Apartments	08/24/99
Stross Law Firm	08/13/99
Summit Management and Realty Company	08/06/99
Sweetwater Ranch	08/24/99
T&C Management Services, Inc.	08/20/99
T&R Properties	08/11/99
T. J. Adam & Company	08/12/99
Tara Cooperative, Inc.	08/26/99
Teligent, Inc. (Teligent)	08/27/99
Texas Office of Public Utility Counsel	08/27/99
The Altman Group of Companies	08/12/99
The Berkshires of Addison	08/24/99
The Bozzuto Group .	08/12/99
The Brody Companies	08/17/99
The Carter Company, Inc.	08/23/99
The Chateau Apartments Co.	08/25/99
The Education Parties	08/27/99
The Gipson Co.	08/12/99
The Indigo On Forest	08/24/99
The Mid-America Management Corporation	08/24/99
Thompson Partners	08/23/99
Thompson Thrift Development	08/20/99
Tidewater Builders Assn.	08/02/99
Tillman Real Estate	08/02/99
Tomlinson & Associates, Inc.	08/16/99
Toonen Rental Properties	08/26/99
Total Service Development, LLC	08/26/99
Town & Country Apartments	08/27/99
Town of Addison	08/13/99
Town of Yarmouth	08/26/99
Towne Properties Asset Management Company	08/16/99
Township of Lyons	08/06/99
Township of Mullica	08/12/99
Transworld Properties, Inc.	08/20/99
Trust Property Management	08/23/99
TVO Realty Partners	08/19/99
U. S. Department of Defense	08/12/99
U.R. RealTel, Inc.	08/16/99
Union Gap Village Condominium Owners' Assn.	08/09/99
United Dominion Realty Trust, Inc.	08/24/99
United States Telephone Association	08/27/99
United Telecom Council	08/27/99

Urstadt Biddle Properties, Inc.	08/13/99
V. K. Development Corporation	08/24/99
Van Buskirk Companies	08/16/99
VBC, Inc.	08/13/99
Village at McLean Gardens	08/24/99
Village Green	08/26/99
Village of Chelsea	08/16/99
Village of Concord	07/30/99
Village of Lisle	08/27/99
Village of Schaumburg	08/09/99
Village of Wilmette	08/16/99
Wallick Properties Inc.	08/05/99
Ward F. Hoppe	08/16/99
Washington Real Estate Investment Trust	08/23/99
Wayland Township	07/26/99
Weigand- Omega Management, Inc.	08/16/99
Wellsford Real Properties, Inc.	08/16/99
Westwood Heights	08/23/99
Wexenthaller Realty Management	08/27/99
White Birch Apartments	08/20/99
Wiegand- Omega Management, Inc.	08/27/99
Willow Park	08/17/99
Wimbledon Apartments	08/27/99
Windsor at Alden Pond	08/24/99
Windsor at Arbors	08/25/99
Windsor at Asbury Square	08/24/99
Windsor at Ashton Woods	08/24/99
Windsor at Brentwood	08/24/99
Windsor at Britton Woods	08/24/99
Windsor at Butternut Ridge	08/23/99
Windsor at Carolina	08/20/99
Windsor at Cedarbrooke	08/24/99
Windsor at Chateau Knoll	08/24/99
Windsor at Eastborough	08/26/99
Windsor at Fairland Meadow	08/26/99
Windsor at Fieldstone	08/23/99
Windsor at Gaslight Square	08/24/99
Windsor at Hunter's Woods	08/27/99
Windsor at Kingsborough	08/23/99
Windsor at McAlpine Place	08/26/99
Windsor at Old Buckingham Station	08/23/99
Windsor at Park Terrace	08/24/99

Windsor at Pine Ridge	08/23/99
Windsor at Polo Run	08/27/99
Windsor at Quiet Waters	08/20/99
Windsor at River Heights	08/23/99
Windsor at Rockborough	08/24/99
Windsor at Sterling Place	08/23/99
Windsor at Stonington Farm	08/23/99
Windsor at Union Station	08/24/99
Windsor at Woodgate	08/24/99
Windsor Courts at Beverly	08/24/99
Windsor Heights at Marlborough	08/24/99
Windsor Meadows at Marlborough	08/25/99
Windsor Ridge at Westborough	08/25/99
Windsor Shirlington Village	08/20/99
Windsor Village at Hauppauge	08/24/99
Windsor Village at Waltham	08/24/99
Wingate Falls	08/12/99
WinStar Communications, Inc. (WinStar)	08/27/99
Wireless Communications Assn. International, Inc.	08/27/99
Wisconsin Management Company Inc.	08/16/99
Woodberry	08/27/99
Woodmont Real Estate Services	08/10/99
Woolson Real Estate Company, Inc.	08/19/99
Worthings Companies	08/13/99
York Creek	08/27/99

Reply Comments**(August 28, 1999 through September 27, 1999)****Receipt****Date**

1st Properties	09/03/99
A.G. Spanos Companies	09/03/99
Acacia Park Apartments, ElPaso, TX	08/31/99
Accidental Developement	09/07/99
Affordable Housing Fund I	09/01/99
Aitkin Housing Partners Limited Partnership	09/03/99
Albert House Associates	09/01/99
Albert House Associates	09/03/99
Allied Riser Communications Corporation	09/27/99
American Electric Power Service Corporation et al.	09/27/99
Ameritech	09/27/99
AMLI Residential	09/01/99
Apartment Assn. of Orange County	08/31/99
Apartment Investment and Management Company	08/30/99
Apex Site Management, Inc.	09/27/99
Applecreek Apartments, Broken Arrow, OK	08/31/99
Applecreek Apartments, Sand Springs, OK	08/31/99
Arbors of Central Park	09/03/99
Arbors of Killeen	08/30/99
Arbors Wolf Pen Creek	09/07/99
Arden Realty, Inc.	09/27/99
Aspen Circle Management	09/03/99
Aspen Park Apartments, Wichita, KS	08/31/99
Assn. for Local Telecommunications Services	09/27/99
AT&T Corp.	09/27/99
Barcelona Apartments, Tulsa, OK	08/31/99
Bartley Manor Limited Partnership	09/03/99
Bell Atlantic	09/27/99
Belle Meadows Apartments, Oklahoma City, OK	08/31/99
BellSouth Corporation	09/27/99
Beloit Housing Partners	09/01/99
Berlin Housing Partners Limited Partnership	09/03/99
BlueStar Communications, Inc.	09/27/99
Borgata Apartment Community	08/30/99
Boulder Ridge Apartments, Tulsa, OK	08/31/99
Brandywine Apartments, Lexington, KY	08/31/99
Brandywine Apartments, Tulsa, OK	08/31/99
Brookwood Village Apartments, Oklahoma City, OK	08/31/99
CAIS, Inc.	09/27/99

Capistrano Apartments	08/30/99
Cedar Ridge Apartments	09/03/99
Cellular Telecommunications Industry Assn.	09/02/99
Cellular Telecommunications Industry Assn.	09/27/99
Cimarron Point Apartments, Oklahoma City, OK	08/31/99
Cimarron Trails Apartments, Norman, OK	08/31/99
Cimmarron Apartments, Tulsa, OK	08/31/99
Cinergy Corp.	09/27/99
City of Brea	09/07/99
City of Brea	09/08/99
City of Carmel	09/13/99
City of Cerritos	08/30/99
City of Cerritos	09/09/99
City of Commerce City	09/27/99
City of Davison	08/30/99
City of Davison	09/09/99
City of Littlefield	09/24/99
City of Meadows Place	08/30/99
City of Rosenberg	08/30/99
City of Springfield	09/09/99
City Telecommunication Consultants, Ltd.	09/27/99
Cobblestone Apartments, Tulsa, OK	08/31/99
Coldwell Banker, Commercial	08/30/99
Colonial Manor Apartments	09/03/99
Commerce City	09/27/99
Community Associations Institute et al.	09/27/99
Community Programing Board	09/27/99
Competitive Telecommunications Association	09/27/99
ConAM Management Corporation	09/13/99
Concerned Communities and Organizations	09/27/99
Concord Management Limited, Ltd.	09/13/99
Copper Palms Apartment	08/30/99
Cornerstone Properties et. al.	09/27/99
Cornerstone Properties, et al.	08/30/99
Council Place Apartments, Oklahoma City, OK	08/31/99
Country Hollow Apartments, Tulsa, OK	08/31/99
Covered Bridge Apartments	08/31/99
Covina Court	08/30/99
Crossing II Apartments	08/31/99
Crossings I Apartments	08/31/99
Crown Chase Apartments, Wichita, KS	08/31/99
Crown Point Apartments, Oklahoma City, OK	08/31/99

Delta County, Colorado	08/30/99
Delta County, Colorado	09/03/99
DMC Management Company	08/30/99
Double Tree Apartments, ElPaso, TX	08/31/99
Drucker & Falk	08/30/99
Drucker & Falk, LLC	09/03/99
Duckworth Company Incorporated	09/01/99
Eagle Point Apartments, Tulsa, OK	08/31/99
Edward Rose Associates	09/07/99
Elliot Point	08/30/99
Entergy Services, Inc.	09/27/99
Equestrian on Eastern	08/30/99
First Management Services	08/31/99
First Worthing Company	08/31/99
First Worthing Company	09/02/99
Florida Power & Light Company	09/24/99
Florida Power and Light Co.	09/27/99
Flower Mound	09/01/99
Foothill Apartment Assn.	08/30/99
Fox Acres Apartments	08/30/99
Fox Run Apartments, Wichita, KS	08/31/99
Great West Services, Ltd.	08/31/99
Grouse Run, Oklahoma City, OK	08/31/99
GTE Service Corporation	09/27/99
Hill Park Management	09/03/99
Howard Hughes Corporation	08/30/99
Hudson River Management LLC	09/02/99
Institute of Real Estate Management	09/17/99
Inverness Apartments, Broken Arrow, OK	08/31/99
Island Club	08/30/99
Janesville Housing Partners Limited Partnership	09/01/99
Kennedy Wilson Properties, Ltd	09/07/99
Kensington Park Apts.	08/31/99
Key Management Company	09/14/99
Kimball Tirey & St. John	08/30/99
KOS Management Systems	08/30/99
Lakeside South	08/31/99
Larrymore Organization	09/01/99
Leisure World of Maryland Corporation	08/30/99
Lexington Commons Apartments, Bartlesville, OK	08/31/99
Lincoln Heights Limited Partnership	09/03/99
Local and State Government Advisory Committee	09/03/99

Madison Area Apartment Assn.	08/31/99
Maplewood Apartments	08/30/99
MCI WorldCom, Inc	09/27/99
Meadow Green Apartments, Phoenix, AZ	08/31/99
Medford- Gilman Housing Partners LP	09/03/99
MediaOne Group, Inc.	09/27/99
Meeting House Garden Apartments and Townhouses	08/30/99
Meridian Group, Inc.	09/01/99
Meridian Group, Inc.	09/02/99
Michigan Communities	09/03/99
Mid-Continent Properties	08/30/99
Mission Shadows	08/30/99
Monarch Management & Realty, Inc.	08/31/99
Mountain Village Apartments, ElPaso, TX	08/31/99
NEXTLINK Communications, Inc.	09/27/99
Obervation Point Apartments, Tulsa, OK	08/31/99
Occidental Develm., LTD.	09/07/99
Office of Advocacy, U.S. Small Business Admin.	09/02/99
OpTel, Inc.	09/27/99
P. M. One, Ltd.	08/31/99
Pacific Bay Club	08/30/99
Paige East Associates, Ltd.	08/31/99
Paradise Foothills	08/30/99
Park 86 Apt. Corp.	08/30/99
Parkview Mobile Home Court	09/02/99
Peninsula Housing & Builders Assn.	08/30/99
Personal Communications Industry Association	09/27/99
Picerne Management	08/30/99
Pinehurst Apartments, Oklahoma City, OK	08/31/99
Pinkney Dayton Apartments	09/02/99
Polo Club Apartments, Dallas, TX	08/31/99
Polo Club Apartments, Tulsa, OK	08/31/99
Polo Run Apartments, Tulsa, OK	08/31/99
Princeton Creek Apartments	08/31/99
Quail Hollow Apartments, Tulsa, OK	08/31/99
Quest Comm. Corp.	09/27/99
Qwest Communications Corporation	09/27/99
Racine Housing Partners Limited Partnership	09/03/99
Raintree Apartment, Wichita, KS	08/31/99
Rance King Properties, Inc.	09/08/99
RCN Corporation	09/27/99
Red River Apartments, Tulsa, OK	08/31/99

Rent Stabilization Assn.	08/30/99
Ridge Park Apartments, Tulsa, OK	08/31/99
River Ranch	08/30/99
Riverchase Apartments, Tulsa, OK	08/31/99
Riverpark Apartments, Tulsa, OK	08/31/99
Rosewood Apartment	08/30/99
Royal Arms Apartments, Tulsa, OK	08/31/99
Sagewood Apartments	08/30/99
SBC Communications Inc.	09/27/99
Shadow Ridge Apartments, ElPaso, TX	08/31/99
Shared Communications Services, Inc.	09/27/99
Silver Creek Apartments, Tulsa, OK	08/31/99
Silver Springs Apartments, Wichita, KS	08/31/99
Silverstone Apartments, Tulsa, OK	08/31/99
South Glen Apartments, Tulsa, OK	08/31/99
Southridge Manor Apartments	09/03/99
Statewide Housing Partners Limited Partnership	09/02/99
Sterling House of Lincoln	08/30/99
Sterling Point Apartments	08/30/99
Stillwater Housing Partners Limited Partnership	09/03/99
Sugarberry Apartments, Tulsa, OK	08/31/99
Summerstone Duplexes, Tulsa, OK	08/31/99
Summit Apartments Homes	08/30/99
Sun Wood	08/30/99
Sunchase Apartments, Ridgeland, MS	08/31/99
Sunchase Apartments, Tulsa, OK	08/31/99
Sundance Apartments, Tulsa, OK	08/31/99
Sunset View Limited Partnership	09/03/99
Tammaron Village Apartments, Oklahoma City, OK	08/31/99
Teligent, Inc.	09/27/99
The Commons on Anniston Road	08/31/99
The Electric Utilities Coalition	09/27/99
The Franciscan of Arlington	09/02/99
The Greens of Bedford Apartments, Tulsa, OK	08/31/99
The Lakes Apartments, Tulsa, OK	08/31/99
The Lewiston Apartments, Tulsa, OK	08/31/99
The Links Apartments, Phoenix, AZ	08/31/99
The Lodge on the Lake Apts., Oklahoma City, OK	08/31/99
The National Association of Counties , et al.	09/27/99
The Patriot Apartments, ElPaso, TX	08/31/99
The Phoenix Apartments, ElPaso, TX	08/31/99
The Real Access Alliance	09/27/99

The Remington Apartments, Wichita, KS	08/31/99
The Springs Apartments, Tulsa, OK	08/31/99
The Summit at Sunridge	08/30/99
The Warrington Apartments, Oklahoma City, OK	08/31/99
Tim Pawlenty	09/07/99
Time Warner Cable	09/27/99
Total Service Development, L.L.C.	08/31/99
Town & County Apartments	08/30/99
Town and Country Management Company	08/31/99
Town and Country Management Company	09/01/99
Town and Country Management Company	09/02/99
Town of Flower Mound	09/02/99
Town of Flower Mound Texas	09/07/99
Trails East Apartments, Mesa, AZ	08/31/99
Trammel Crow Residential	09/07/99
Two Harbors Housing Partners Limited Partnership	09/03/99
Twyckeham Apartments	08/31/99
U S West , Inc.	09/27/99
United States Telephone Association	09/27/99
United Telecom Council and Edison Electric Institute	09/27/99
US Small Business Administration	09/10/99
Village Green Companies	08/30/99
Village Green of WI Limited Partnership	09/03/99
Village of Paw Paw	08/30/99
Village of Paw Paw	09/09/99
Village of Roselle	09/01/99
Village of Roselle	09/02/99
Village Square Limited Partnership	09/03/99
Walker's Station Apartments, Oklahoma City, OK	08/31/99
Wampold Companies	08/31/99
Washington Quarters	08/30/99
Waterford Apartments, Tulsa, OK	08/31/99
Weigand-Omega Management, Inc.	08/30/99
Westgate Apartments, Irving, TX	08/31/99
Westminster Management	09/08/99
Windmill Terrace Apartments, Bedford, TX	08/31/99
Windsail Apartments, Tulsa, OK	08/31/99
Windsor At Lakepointe	08/31/99
Windsor At Windermere Place	09/17/99
Windsor At Wood Creek	08/30/99
Windsor Gardens	09/08/99
WINSTAR COMMUNICATIONS, INC.	09/27/99

Wireless Comm. Assn., Int'l.	09/27/99
Wisconsin Apartment Assn.	08/31/99
Yuma County, AZ.	09/17/99

Further Reply comments**Receipt
Date**

Wireless Comm. Assn., Int'l.	10/22/99
Concerned Communities and Organizations	10/28/99

APPENDIX B**Final Rules****New Exclusive Contract Rules**

Part 64 of Title 47 of the Code of Federal Regulations is amended as follows:

1. A new Subpart X is added to Part 64 of Title 47 entitled:

Prohibition on Exclusive Telecommunications Contracts

2. New Section 64.2300 of Subpart X, Part 64 of Title 47 provides:

Prohibited Agreements. No common carrier shall enter into any contract, written or oral, that would in any way restrict the right of any commercial multiunit premises owner, or any agent or representative thereof, to permit any other common carrier to access and serve commercial tenants on that premises.

3. New Section 64.2301 of Subpart X, Part 64 of Title 47 provides:

Scope of Limitation. For the purposes of this subpart, a multiunit premises is any contiguous area under common ownership or control that contains two or more distinct units. A commercial multiunit premises is any multiunit premises that is predominantly used for non-residential purposes, including for-profit, non-profit, and governmental uses. Nothing in this subpart shall be construed to forbid a common carrier from entering into an exclusive contract to serve only residential customers on any premises.

4. New Section 64.2302 of Subpart X, Part 64 of Title 47 provides:

Effect of State Law or Regulation. This subpart shall not preempt any state law or state regulation that requires a governmental entity to enter into a contract or understanding with a common carrier which would restrict such governmental entity's right to obtain telecommunications service from another common carrier.

Revised OTARD Rules

Subpart S of Part 1 of Title 47 of the Code of Federal Regulations is amended as follows:

1. The title of Subpart S, Part 1 of Title 47 is revised to read:

PREEMPTION OF RESTRICTIONS THAT "IMPAIR" THE ABILITY TO RECEIVE TELEVISION BROADCAST SIGNALS, DIRECT BROADCAST SATELLITE SERVICES, OR MULTICHANNEL MULTIPOINT DISTRIBUTION SERVICES OR THE ABILITY TO RECEIVE OR TRANSMIT FIXED WIRELESS COMMUNICATIONS SIGNALS.

2. The title of Section 1.4000 of Subpart S, Part 1 of Title 47 is revised to read:

Restrictions impairing reception of television broadcast signals, direct broadcast satellite services, or multichannel multipoint distribution services and restrictions impairing reception or transmission of fixed wireless communications signals.

3. Section 1.4000 of Subpart S, Part 1 of Title 47 is revised to read:

(a)(1) Any restriction, including but not limited to any state or local law or regulation, including zoning, land-use, or building regulations, or any private covenant, contract provision, lease provision, homeowners' association rule or similar restriction, on property within the exclusive use or control of the antenna user where the user has a direct or indirect ownership or leasehold interest in the property that impairs the installation, maintenance, or use of:

- (i) An antenna that is (1) used to receive direct broadcast satellite service, including direct-to-home satellite service, or to receive or transmit fixed wireless signals via satellite, and (2) one meter or less in diameter or is located in Alaska;
- (ii) An antenna that is (1) used to receive video programming services via multipoint distribution services, including multichannel multipoint distribution services, instructional television fixed services, and local multipoint distribution services, or to receive or transmit fixed wireless signals other than via satellite, and (2) that is one meter or less in diameter or diagonal measurement;
- (iii) An antenna that is used to receive television broadcast signals; or
- (iv) A mast supporting an antenna described in paragraphs (a)(1)(i), (a)(1)(ii), or (a)(1)(iii) of this section;

is prohibited to the extent it so impairs, subject to paragraph (b) of this section.

(a)(2) For purposes of this section, "fixed wireless signals" means any commercial non-broadcast communications signals transmitted via wireless technology to and/or from a fixed customer location. Fixed wireless signals do not include, among other things, AM radio, FM radio, amateur ("HAM") radio, Citizen's Band (CB) radio, and Digital Audio Radio Service (DARS) signals.

(a)(3) For purposes of this section, a law, regulation, or restriction impairs installation, maintenance, or use of an antenna if it:

- (i) Unreasonably delays or prevents installation, maintenance, or use;
- (ii) Unreasonably increases the cost of installation, maintenance, or use; or
- (iii) Precludes reception or transmission of an acceptable quality signal.

(a)(4) Any fee or cost imposed on a user by a rule, law, regulation or restriction must be reasonable in light of the cost of the equipment or services and the rule, law, regulation or restriction's treatment of comparable devices. No civil, criminal, administrative, or other legal action of any kind shall be taken to enforce any restriction or regulation prohibited by this section except pursuant to paragraph (d) or (e) of this section. In addition, except with respect to restrictions pertaining to safety and historic preservation as described in paragraph (b) of this section, if a proceeding is initiated pursuant to paragraph (d) or (e) of this section, the entity seeking to enforce the antenna restrictions in question must suspend all enforcement efforts pending completion of review. No attorney's fees shall be collected or assessed and no fine or other penalties shall accrue against an antenna user while a proceeding is pending to determine the validity of any restriction. If a ruling is issued adverse to a user, the user shall be granted at least a 21-day grace period in which to comply with the adverse ruling; and neither a fine nor a penalty may be collected from the user if the user complies with the adverse ruling during this grace period, unless the proponent of the restriction demonstrates, in the same proceeding which resulted in the adverse ruling, that the user's claim in the proceeding was frivolous.

(b) Any restriction otherwise prohibited by paragraph (a) of this section is permitted if:

(1) It is necessary to accomplish a clearly defined, legitimate safety objective that is either stated in the text, preamble, or legislative history of the restriction or described as applying to that restriction in a document that is readily available to antenna users, and would be applied to the extent practicable in a non-discriminatory manner to other appurtenances, devices, or fixtures that are comparable in size and weight and pose a similar or greater safety risk as these antennas and to which local regulation would normally apply; or

(2) It is necessary to preserve a prehistoric or historic district, site, building, structure or object included in, or eligible for inclusion on, the National Register of Historic Places, as set forth in the National Historic Preservation Act of 1966, as amended, 16 U.S.C. § 470, and imposes no greater restrictions on antennas covered by this rule than are imposed on the installation, maintenance, or use of other modern appurtenances, devices, or fixtures that are comparable in size, weight, and appearance to these antennas; and

(3) It is no more burdensome to affected antenna users than is necessary to achieve the objectives described in paragraph (b)(1) or (b) (2) of this section.

(c) In the case of an antenna that is used to transmit fixed wireless signals, the provisions of this section shall apply only if a label is affixed to the antenna that: (1) provides adequate notice regarding potential radiofrequency safety hazards, e.g., information regarding the safe minimum separation distance required between users and transceiver antennas; and (2) references the applicable FCC-adopted limits for radiofrequency exposure specified in § 1.1310 of this chapter.

(d) Local governments or associations may apply to the Commission for a waiver of this section under § 1.3. Waiver requests must comply with the procedures in paragraphs (f) and (h) of this section and will be put on public notice. The Commission may grant a waiver upon a showing by the applicant of local concerns of a highly specialized or unusual nature. No petition for waiver shall be considered unless it specifies the restriction at issue. Waivers granted in accordance with this section shall not apply to restrictions amended or enacted after the waiver is granted. Any responsive pleadings must be served on all parties and filed within 30 days after release of a public notice that such petition has been filed. Any replies must be filed within 15 days thereafter.

(e) Parties may petition the Commission for a declaratory ruling under § 1.2, or a court of competent jurisdiction, to determine whether a particular restriction is permissible or prohibited under this section. Petitions to the Commission must comply with the procedures in paragraphs (f) and (h) of this section and will be put on public notice. Any responsive pleadings in a Commission proceeding must be served on all parties and filed within 30 days after release of a public notice that such petition has been filed. Any replies in a Commission proceeding must be served on all parties and filed within 15 days thereafter.

(f) Copies of petitions for declaratory rulings and waivers must be served on interested parties, including parties against whom the petitioner seeks to enforce the restriction or parties whose restrictions the petitioner seeks to prohibit. A certificate of service stating on whom the petition was served must be filed with the petition. In addition, in a Commission proceeding brought by an association or a local government, constructive notice of the proceeding must be given to members of the association or to the citizens under the local government's jurisdiction. In a court proceeding brought by an association, an association must give constructive notice of the proceeding to its members. Where constructive notice is required, the petitioner or plaintiff must file with the Commission or the court overseeing the proceeding a copy of the constructive notice with a statement explaining where the notice was placed and why such placement was reasonable.

(g) In any proceeding regarding the scope or interpretation of any provision of this section, the burden of demonstrating that a particular governmental or nongovernmental restriction complies with this section and does not impair the installation, maintenance, or use of devices used for over-the-air reception of video programming services or devices used to receive or transmit fixed wireless signals shall be on the party that seeks to impose or maintain the restriction.

(h) All allegations of fact contained in petitions and related pleadings before the Commission must be supported by affidavit of a person or persons with actual knowledge thereof. An original and two copies of all petitions and pleadings should be addressed to the Secretary, Federal Communications Commission, 445 12th Street, SW, Washington, DC 20554. Copies of the petitions and related pleadings will be available for public inspection in the Reference Information Center, Consumer Information Bureau, Federal Communications Commission, 445 12th Street, SW, Washington, DC 20554. Copies will be available for purchase from the Commission's contract copy center, and Commission decisions will be available on the Internet.

Revised Demarcation Point Rules

Part 68 of Title 47 of the Code of Federal Regulations is amended as follows:

The Demarcation Point definition in Section 68.3 is revised to read:

1. Demarcation point: The point of demarcation and/or interconnection between telephone company communications facilities and terminal equipment, protective apparatus or wiring at a subscriber's premises. Carrier-installed facilities at, or constituting, the demarcation point shall consist of wire or a jack conforming to subpart F of part 68 of the Commission's rules. "Premises" as used herein generally means a dwelling unit, other building or a legal unit of real property such as a lot on which a dwelling unit is located, as determined by the telephone company's reasonable and nondiscriminatory standard operating practices. The "minimum point of entry" as used herein shall be either the closest practicable point to where the wiring crosses a property line or the closest practicable point to where the wiring enters a multiunit building or buildings. The telephone company's reasonable and nondiscriminatory standard operating practices shall determine which shall apply. The telephone company is not precluded from establishing reasonable classifications of multiunit premises for purposes of determining which shall apply. Multiunit premises include, but are not limited to, residential, commercial, shopping center and campus situations.
 - (a) Single unit installations. For single unit installations existing as of August 13, 1990, and installations installed after that date the demarcation point shall be a point within 30 cm (12 in) of the protector or, where there is no protector, within 30 cm (12 in) of where the telephone wire enters the customer's premises, or as close thereto as practicable.
 - (b) Multiunit installations.
 - (1) In multiunit premises existing as of August 13, 1990, the demarcation point shall be determined in accordance with the local carrier's reasonable and non-discriminatory standard operating practices. Provided, however, that where there are multiple demarcation points within the multiunit premises, a demarcation point for a customer shall not be further inside the customer's premises than a point twelve inches from where the wiring enters the customer's premises, or as close thereto as practicable.
 - (2) In multiunit premises in which wiring is installed, including major additions or rearrangements of wiring existing prior to that date, the telephone company may place the demarcation point at the minimum point of entry (MPOE). If the telephone company does not elect to establish a practice of placing the demarcation point at the minimum point of entry, the multiunit premises owner shall determine the location of the demarcation point or points. The multiunit premises owner shall determine whether there shall be a single demarcation point location for all customers or separate such locations for each customer. Provided, however, that where there are multiple demarcation points within the multiunit premises, a demarcation point for a customer shall not be further inside the customer's premises than a point 30 cm (12 in) from where the wiring enters the customer's premises, or as close thereto as practicable. At the time of installation, the telephone company shall fully inform the premises owner of its options and rights regarding the placement of the demarcation point or points and shall not attempt to unduly influence that decision for the purpose of obstructing competitive entry.

(3) In any multiunit premises where the demarcation point is not already at the MPOE, the telephone company must comply with a request from the premises owner to relocate the demarcation point to the MPOE. The telephone company must negotiate terms in good faith and complete the relocation within forty-five days from said request. Premises owners may file complaints with the Commission for resolution of allegations of bad faith bargaining by telephone companies. *See* 47 U.S.C. Section 208; 47 C.F.R. Sections 1.720-1.736 (1999).

(4) The telephone company shall make available information on the location of the demarcation point within ten business days of a request from the premises owner. If the telephone company does not provide the information within that time, the premises owner may presume the demarcation point to be at the MPOE. Notwithstanding the provisions of 47 U.S.C. § 68.110(c), telephone companies must make this information freely available to the requesting premises owner.

(5) In multiunit premises with more than one customer, the premises owner may adopt a policy restricting a customer's access to wiring on the premises to only that wiring located in the customer's individual unit that serves only that particular customer.

Appendix C

Final Regulatory Flexibility Analysis

As required by the Regulatory Flexibility Act (RFA),³⁹¹ an Initial Regulatory Flexibility Analysis (IRFA) was incorporated in the Notice of Proposed Rulemaking in WT Docket No. 99-217 and Third Further Notice of Proposed Rulemaking in CC Docket No. 96-98, released July 7, 1999 (*Competitive Networks NPRM*).³⁹² The Commission sought written public comment on the proposals in the *Competitive Networks NPRM*, including comment on the IRFA. The comments received are discussed below. In addition, an IRFA was incorporated in the Second Further Notice of Proposed Rulemaking in CC Docket No. 88-57 (*1997 Demarcation Point Order on Reconsideration*).³⁹³ This present Final Regulatory Flexibility Analysis (FRFA) conforms to the RFA.³⁹⁴

A. Need for, and Objectives of, the Rules

In this *Competitive Networks First Report and Order*,³⁹⁵ the Commission furthers its ongoing efforts under the Telecommunications Act of 1996³⁹⁶ to foster competition in local communications markets by implementing measures to ensure that competing telecommunications providers are able to provide services to customers in multiple tenant environments (MTEs). MTEs include apartment buildings, office buildings, office parks, shopping centers, and manufactured housing communities. Based on the extensive record compiled in response to the *Competitive Networks NPRM*, the Commission adopts several measures to remove obstacles to competitive access in this important portion of the telecommunications market. Specifically the Commission: (1) prohibits carriers from entering into contracts in commercial buildings that prevent access by competing carriers; (2) clarifies its demarcation point rules³⁹⁷ governing control of in-building wiring and facilitates exercise of building owner options regarding that wiring; (3) concludes that the access mandated by Section 224 of the Communications Act (the "Pole Attachments Act")³⁹⁸ includes access to poles, ducts, conduits or rights-of-way that are owned

³⁹¹ See 5 U.S.C. § 603. The RFA, see 5 U.S.C. § 601 *et. Seq.*, has been amended by the Contract With America Advancement Act of 1996, Pub. L. No. 104-121, 110 Stat. 847 (1996) (CWAAA). Title II of the CWAAA is the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA).

³⁹² Promotion of Competitive Networks in Local Telecommunications Markets, *Notice of Proposed Rulemaking and Notice of Inquiry in WT Docket No. 99-217, and Third Further Notice of Proposed Rulemaking in CC Docket No. 96-98*, 14 FCC Rcd 12673, 12723-12734 (1999) (*Competitive Networks NPRM*).

³⁹³ Review of Sections 68.104, and 68.213 of the Commission's Rules Concerning Connection of Simple Inside Wiring to the Telephone Network, *Order on Reconsideration, Second Report and Order and Second Further Notice of Proposed Rulemaking*, CC Docket No. 88-57, 12 FCC Rcd 11897, 11934-39 (1997) (*1997 Demarcation Point Order on Reconsideration*).

³⁹⁴ See 5 U.S.C. § 604.

³⁹⁵ Promotion of Competitive Networks in Local Telecommunications Markets, *First Report and Order*, WT Docket No. 99-217, FCC 00-366 (adopted Oct. 12, 2000) (*Competitive Networks First Report and Order*).

³⁹⁶ Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56, codified at 47 U.S.C. §§ 151 *et seq.* (1996 Act). The 1996 Act amended the Communications Act of 1934 (the "Communications Act" or the "Act").

³⁹⁷ See 47 C.F.R. § 68.3.

³⁹⁸ 47 U.S.C. § 224.

or controlled by a utility within MTEs; and (4) concludes that tenants in MTEs should have the ability to place antennas one meter or less in diameter used to receive or transmit any fixed wireless service in areas within their exclusive use or control, and prohibits most restrictions on their ability to do so by extending the Commission's rules governing Over-the-Air Reception Devices (OTARDs).³⁹⁹

B. Summary of Significant Issues Raised by Public Comments in Response to the IRFA

Comments in response to the *Competitive Networks NPRM* IRFA were filed by the Community Associations Institute, *et al.* (CAI),⁴⁰⁰ the National Association of Counties, *et al.* (NACO),⁴⁰¹ the Real Access Alliance (RAA),⁴⁰² and the Office of Advocacy of the U.S. Small Business Administration (SBA).⁴⁰³

CAI states that community associations (*i.e.*, condominiums, cooperatives and planned communities) would incur undue expense and disruptions if the Commission provides telecommunications carriers so-called "forced access" to association property.⁴⁰⁴ Similarly, RAA states that the Commission's "proposals will interfere with the ability of landlords to insure compliance with safety codes; provide for the safety of tenants, residents, and visitors; coordinate among tenants and service providers; and manage limited physical space."⁴⁰⁵ CAI requests that community associations be exempted from any "forced access" rules adopted by the Commission,⁴⁰⁶ while RAA requests that all affected "small businesses" be exempted.⁴⁰⁷ RAA also states that the *Competitive Networks NPRM* should be withdrawn and reissued with a revised IRFA.⁴⁰⁸

The actions taken in the *Competitive Networks First Report and Order* today do not impair the authority of property owners or managers, including community associations, under state law to exclude telecommunications carriers from their property.⁴⁰⁹ Rather, the *Competitive Networks First Report and Order* makes clear that "the right of access granted under Section 224 lies only against utilities,"⁴¹⁰ as

³⁹⁹ See 47 C.F.R. § 1.4000.

⁴⁰⁰ CAI IRFA Response (filed Aug. 27, 1999).

⁴⁰¹ NACO IRFA Comments (filed Aug. 27, 1999) and NACO Comments (filed Oct. 12, 1999).

⁴⁰² RAA Joint Regulatory Flexibility Act Comments (filed Aug. 27, 1999).

⁴⁰³ SBA Reply Comments (filed Sept. 10, 1999).

⁴⁰⁴ CAI IRFA Response at 6-14.

⁴⁰⁵ RAA Joint Regulatory Flexibility Act Comments at 7.

⁴⁰⁶ CAI IRFA Response at 16-17.

⁴⁰⁷ RAA Joint Regulatory Flexibility Act Comments at 8.

⁴⁰⁸ *Id.* at 8-9.

⁴⁰⁹ See *Competitive Networks First Report and Order*, at para. 76 ("Section 224 was not intended to override whatever authority or control an MTE owners may otherwise retain under the terms of its agreements and state law.").

⁴¹⁰ *Id.*

defined in Section 224(a)(1) of the Act.⁴¹¹ We also note that our authorization of small antennas for the provision of non-video services is limited to antennas situated on property under the control of a community association member rather than common property of the association, and therefore will not impose undue burdens or expense on community associations or small building owners.⁴¹² CAI also states that prohibiting exclusive telecommunications contracts would adversely impact community associations.⁴¹³ The *Competitive Networks First Report and Order* does not prohibit such contracts for residential properties.⁴¹⁴ Accordingly, even assuming that such a prohibition would significantly impact community associations, no such impact will result from the actions taken in the *Competitive Networks First Report and Order* today.⁴¹⁵

In its comments filed August 27, 1999, NACO states that the Commission's proposals "for building owners and managers represent the federalizing of what is currently a growing local market in site leasing."⁴¹⁶ We have deferred to the *Competitive Networks Further Notice of Proposed Rulemaking (FNPRM)* the issue of whether the Commission should impose a nondiscriminatory access requirement on building owners and managers.⁴¹⁷ NACO also states that "[l]ocal communities would be . . . deprived of a revenue stream that could reduce local tax burdens"⁴¹⁸ In later filed comments, NACO reiterates its concern over "the impact of lost right-of-way and tax revenues and the impact on infrastructure of loss of management control over the public right of way."⁴¹⁹ Although we sought comment on issues related to access to public rights-of-way and franchise taxes in the *Competitive Networks Notice of Inquiry*, we take no action in this regard today.

SBA states that the IRFA "inappropriately excludes small incumbent LECs from the definition of small business," and requests that the Commission reconcile its definition of small incumbent LEC with SBA's definition.⁴²⁰ SBA states that, for RFA purposes, small incumbent LECs are not dominant in their field of operation because any such dominance is not "national" in scope.⁴²¹ In the *Competitive Networks*

⁴¹¹ 47 U.S.C. § 224(a)(1).

⁴¹² See *Competitive Networks First Report and Order*, Section IV.E., *supra*.

⁴¹³ CAI IRFA Response at 14-15 (filed August 27, 1999).

⁴¹⁴ *Competitive Networks First Report and Order*, at para. 27.

⁴¹⁵ In Section V.A. of the *Competitive Networks FNPRM*, we seek comment on extending the prohibition on exclusive contracts to residential MTEs. Issues regarding the potential impact of such an action on small entities, including community associations, are discussed in the *Competitive Networks FNPRM IRFA, infra*.

⁴¹⁶ NACO IRFA Comments at 3 (filed Aug. 27, 1999).

⁴¹⁷ *Competitive Networks FNPRM*, Section V.A., *supra*.

⁴¹⁸ NACO IRFA Comments at 3 (filed Aug. 27, 1999).

⁴¹⁹ NACO Comments at 48 (filed Oct. 12, 1999).

⁴²⁰ SBA Reply Comments at 3-4.

⁴²¹ *Id.* at 4. The Small Business Act contains a definition of "small business concern," which the RFA incorporates into its own definition of "small business." See 15 U.S.C. § 632(a) (Small Business Act); 5 U.S.C. § 601(3) (RFA). SBA regulations interpret "small business concern" to include the concept of dominance on a national basis. 13 C.F.R. § 121.102(b). Since 1996, out of an abundance of caution, the Commission has included small incumbent LECs in its regulatory flexibility analyses. See, e.g., Implementation of the Local Competition Provisions of the (continued....)

NPRM IRFA, we determined that, for the purposes of the *IRFA*, we would use the term "small incumbent LECs" to refer to incumbent LECs that might be defined by the SBA as small business concerns,⁴²² and would explicitly include small incumbent LECs in the analysis. In this present *FRFA*, *infra*, we have included small incumbent LECs within the definition of small business.

SBA and RAA separately state that the *IRFA* did not comply with the *RFA*. NACO concurs with RAA's comments in this regard. SBA states that "[t]he Commission does not adequately discuss any significant economic impact its access proposal may have on small business nor does it propose sufficient alternatives that might minimize this impact, as is required by the *RFA*."⁴²³ The Commission's access proposal included two key elements: (1) a requirement that building owners provide reasonable and nondiscriminatory access to their premises; and (2) a requirement, under Section 224 of the Act, that utilities provide telecommunications carriers access to their poles, ducts, conducts, and rights-of-way within buildings. As noted above, we are deferring to the *Competitive Networks FNPRM* the issue of whether and, if so, the extent to which, the Commission should impose a nondiscriminatory access requirement on building owners.⁴²⁴ With respect to the proposed implementation of Section 224, in the *Competitive Networks NPRM*, we inquired:

whether an overly broad construction of utility ownership or control would impose unreasonable burdens on building owners, *including small building owners*, or compromise their ability to ensure the safe use of rights-of-way or conduit, or engender other practical difficulties.⁴²⁵

After a thorough review and analysis of the comments filed on our Section 224 proposal, we have determined that a broad definition of utility ownership or control would not best serve the public interest. Rather, in order to minimize the impact of our proposal on utilities (and the buildings that they serve) that must provide access to telecommunications carriers pursuant to Section 224, we find that "state law determines whether, and the extent to which, utility ownership or control of a right-of-way exists in any factual situation within the meaning of Section 224."⁴²⁶ The *Competitive Networks First Report and Order*, moreover, in no way impairs the authority under state law of building owners, including small building owners, to exclude telecommunications carriers from their property.⁴²⁷

(Continued from previous page)

Telecommunications Act of 1996, CC Docket, 96-98, *First Report and Order*, 11 FCC Rcd 15499, 16144-45 (1996), 61 FR 45476 (Aug. 29, 1996).

⁴²² *Competitive Networks NPRM IRFA*, 14 FCC Rcd at 12726, ¶ 8. A "small business" under the *RFA* is one that, *inter alia*, meets the pertinent small business size standard (e.g., a telephone communications business having 1,500 or fewer employees), and "is not dominant in its field of operation." 5 U.S.C. § 601(3).

⁴²³ SBA Reply Comments at 4 (filed Sept. 10, 1999).

⁴²⁴ *Competitive Networks FNPRM*, Section V.A., *supra*. In the *Competitive Networks NPRM IRFA*, we inquired "whether we should limit the scope of any building owner obligation . . . [and noted] that a potential rule could exempt buildings that housed fewer than a certain number of tenants or are under a certain size." *Competitive Networks NPRM IRFA*, 14 FCC Rcd at 12733, ¶ 31.

⁴²⁵ *Competitive Networks NPRM*, 14 FCC Rcd at 12697, ¶ 47.

⁴²⁶ *Competitive Networks First Report and Order*, at para. 87.

⁴²⁷ *See id.*

In addition, we note that in the *Competitive Networks NPRM* IRFA we discussed certain alternatives that might have lessened the possible economic input on small entities. We stated:

[W]ith respect to our Section 224 proposal, we seek comment on whether an overly broad construction of utility ownership or control would impose unreasonable burdens on building owners, including small building owners, or compromise their ability to ensure the safe use of rights-of-way or conduit, or engender other practical difficulties. In addition, with respect to our inquiry into building owner obligations, we seek comment on whether we should limit the scope of any building owner obligation in order to avoid imposing unreasonable regulatory burden on building owners, and we suggest that a potential rule could exempt buildings that house fewer than a certain number of tenants or are under a certain size.⁴²⁸

This discussion of alternatives included cross-references to the text of the *Competitive Networks NPRM*, to assist the reader. We note that the final rules that we adopt here will benefit small telecommunications carriers by fostering facilities-based competition. We also anticipate that our final rules will benefit small building owners and their tenants, by ensuring that utilities cannot block access to their rights-of-way.

SBA states that, while we suggested some alternatives to assist small entities in the IRFA, on the whole our efforts were “inadequate.” SBA states that a broader analysis was required, directed not only toward the alternatives described in the above paragraph but also toward alternatives for “small LECs and the many other small businesses listed in the IRFA.”⁴²⁹ We find that we have met the requirements of the RFA. We chose reasonable alternatives to discuss, and did not discuss alternatives for every affected entity where it would not have seemed reasonable or, perhaps, where it simply did not occur to us. We believe that the RFA requires a good faith effort on our part, but it does not require a discussion of a minimum of four alternatives⁴³⁰ for each of the possibly affected entities. As noted above, we specifically discussed one definitional issue and one possible exception, to assist small entities. We also sought comment from small entities on other issues throughout the *Competitive Networks NPRM* and IRFA. We appreciate the comments supplied by SBA and others as a result, and have considered them in the *Competitive Networks First Report and Order* and this IRFA.

Finally, RAA contends that the IRFA provided inadequate notice as a matter of law.⁴³¹ We note that the IRFA was sufficient to generate comments from representatives of the small business community and that the record demonstrates that the IRFA met the objectives of the RFA. Delaying issuance of final rules at this time would not, therefore, advance those objectives. The IRFA provided sufficient information so that the public could react to the Commission’s proposal in the *Competitive Networks NPRM* in an informed manner. We note that, pursuant to the Administrative Procedure Act,⁴³² the Commission must provide ample opportunity for the public to comment on proposed rules. In this proceeding, the Commission provided a 37-day filing period for initial comments, followed by a 21-day

⁴²⁸ *Competitive Networks NPRM* IRFA, 14 FCC Rcd at 12733, ¶ 31 (internal citations omitted).

⁴²⁹ SBA Reply Comments at 2.

⁴³⁰ See *id.* at 5.

⁴³¹ RAA Joint Regulatory Flexibility Act Comments at 3-5.

⁴³² See 5 U.S.C. § 553.

period for reply comments. The public thus had nearly two months to provide comments. In addition, numerous parties filed *ex parte* statements with the Commission during the course of the 13-month period after the formal comment period closed. More than 1000 comments and other submissions were filed in this proceeding. Many of the commenters, including small businesses, enthusiastically endorsed the proposals in the *Competitive Networks NPRM*.

C. Description and Estimate of the Number of Small Entities to which the Rules Will Apply

The RFA requires that an initial regulatory flexibility analysis be prepared for notice-and-comment rulemaking proceedings, unless the agency certifies that "the rule will not, if promulgated, have a significant economic impact on a substantial number of small entities."⁴³³ The RFA generally defines "small entity" as having the same meaning as the terms "small business," "small organization," and "small governmental jurisdiction."⁴³⁴ In addition, the term "small business" has the same meaning as the term "small business concern" under the Small Business Act.⁴³⁵ A small business concern is one which: (1) is independently owned and operated; (2) is not dominant in its field of operation; and (3) satisfies any additional criteria established by the Small Business Administration (SBA).⁴³⁶ For many of the entities described below, we utilize SBA definitions of small business categories, which are based on Standard Industrial Classification ("SIC") codes.

We have included small incumbent LECs in this present RFA analysis. As noted above, a "small business" under the RFA is one that, *inter alia*, meets the pertinent small business size standard (e.g., a telephone communications business having 1,500 or fewer employees), and "is not dominant in its field of operation."⁴³⁷ The SBA contends that, for RFA purposes, small incumbent LECs are not dominant in their field of operation because any such dominance is not "national" in scope.⁴³⁸ We have therefore included small incumbent LECs in this RFA analysis, although we emphasize that this RFA action has no effect on FCC analyses and determinations in other, non-RFA contexts.

⁴³³ 5 U.S.C. § 605(b).

⁴³⁴ 5 U.S.C. § 601(6).

⁴³⁵ 5 U.S.C. § 601(3) (incorporating by reference the definition of "small business concern" in Small Business Act, 15 U.S.C. § 632). Pursuant to 5 U.S.C. § 601(3), the statutory definition of a small business applies "unless an agency, after consultation with the Office of Advocacy of the Small Business Administration and after opportunity for public comment, establishes one or more definitions of such term which are appropriate to the activities of the agency and publishes such definition(s) in the Federal Register."

⁴³⁶ Small Business Act, 15 U.S.C. § 632.

⁴³⁷ 5 U.S.C. § 601(3).

⁴³⁸ SBA Reply Comments at 3-4. See also Letter from Jere W. Glover, Chief Counsel for Advocacy, SBA, to William E. Kennard, Chairman, FCC (May 27, 1999). The Small Business Act contains a definition of "small business concern," which the RFA incorporates into its own definition of "small business." See 15 U.S.C. 632(a) (Small Business Act); 5 U.S.C. § 601(3) (RFA). SBA regulations interpret "small business concern" to include the concept of dominance on a national basis. 13 C.F.R. § 121.102(b). Since 1996, out of an abundance of caution, the Commission has included small incumbent LECs in its regulatory flexibility analyses. See, e.g., Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, CC Docket, 96-98, *First Report and Order*, 11 FCC Rcd 15499, 16144-45 (1996), 61 FR 45476 (Aug. 29, 1996).

This *Competitive Networks First Report and Order* adopts rule changes that impose requirements on local exchange carriers and other utilities, building owners and managers, neighborhood associations, and small governmental jurisdictions, as discussed below.

a. Local Exchange Carriers

The legal interpretation of Section 224 set forth today, and the rule changes adopted today regarding exclusive contracts, demarcation point, and an extension of the OTARD rule will affect small LECs. Neither the Commission nor the SBA has developed a definition for small providers of local exchange services. The closest applicable definition under the SBA rules is for telephone communications companies other than radiotelephone (wireless) companies.⁴³⁹ The SBA has defined establishments engaged in providing "Telephone Communications, Except Radiotelephone" to be small businesses when they have no more than 1,500 employees.⁴⁴⁰ According to recent *Telecommunications Industry Revenue* data, 1,348 incumbent carriers reported that they were engaged in the provision of local exchange services.⁴⁴¹ We do not have data specifying the number of these carriers that are either dominant in their field of operations, are not independently owned and operated, or have more than 1,500 employees, and thus are unable at this time to estimate with greater precision the number of LECs that would qualify as small business concerns under the SBA's definition. Consequently, we estimate that fewer than 1,348 providers of local exchange service are small entities or small incumbent LECs that may be affected by the rules and policies adopted today.

b. Other Utilities

The legal interpretation of Section 224 set forth today will affect utilities other than LECs. Section 224 defines a "utility" as "any person who is a local exchange carrier or an electric, gas, water, steam, or other public utility, and who owns or controls poles, ducts, conduits, or rights-of-way used, in whole or in part, for any wire communications. Such term does not include any railroad, any person who is cooperatively organized, or any person owned by the Federal Government or any state." The Commission anticipates that, to the extent its legal interpretation of Section 224 affects non-LEC utilities, the effect would be concentrated on electric utilities.

(1) Electric Utilities (SIC 4911, 4931 & 4939)

Electric Services (SIC 4911). The SBA has developed a definition for small electric utility firms.⁴⁴² The Census Bureau reports that a total of 1,379 electric utilities were in operation for at least one year at the end of 1992. According to SBA, a small electric utility is an entity whose gross revenues

⁴³⁹ See 13 C.F.R. § 121.201, SIC Code 4813.

⁴⁴⁰ 13 C.F.R. § 121.201. See Executive Office of the President, Office of Management and Budget, Standard Industrial Classification Manual (1987) (*1987 SIC Manual*).

⁴⁴¹ FCC, Common Carrier Bureau, Industry Analysis Division, *Trends in Telephone Service*, Table 19.3 (March 2000)

⁴⁴² *1987 SIC Manual*.

do not exceed five million dollars.⁴⁴³ The Census Bureau reports that 447 of the 1,379 firms listed had total revenues below five million dollars in 1992.⁴⁴⁴

Electric and Other Services Combined (SIC 4931). The SBA has classified this entity as a utility whose business is less than 95% electric in combination with some other type of service.⁴⁴⁵ The Census Bureau reports that a total of 135 such firms were in operation for at least one year at the end of 1992. The SBA's definition of a small electric and other services combined utility is a firm whose gross revenues do not exceed five million dollars.⁴⁴⁶ The Census Bureau reported that 45 of the 135 firms listed had total revenues below five million dollars in 1992.⁴⁴⁷

Combination Utilities, Not Elsewhere Classified (SIC 4939). The SBA defines this type of utility as providing a combination of electric, gas, and other services that are not otherwise classified.⁴⁴⁸ The Census Bureau reports that a total of 79 such utilities were in operation for at least one year at the end of 1992. According to SBA's definition, a small combination utility is a firm whose gross revenues do not exceed five million dollars.⁴⁴⁹ The Census Bureau reported that 63 of the 79 firms listed had total revenues below five million dollars in 1992.⁴⁵⁰

(2) Gas Production and Distribution (SIC 4922, 4923, 4924, 4925 & 4932)

Natural Gas Transmission (SIC 4922). The SBA's definition of a natural gas transmitter is an entity that is engaged in the transmission and storage of natural gas.⁴⁵¹ The Census Bureau reports that a total of 144 such firms were in operation for at least one year at the end of 1992. According to SBA's definition, a small natural gas transmitter is an entity whose gross revenues do not exceed five million dollars.⁴⁵² The Census Bureau reported that 70 of the 144 firms listed had total revenues below five million dollars in 1992.⁴⁵³

⁴⁴³ 13 C.F.R. § 121.201.

⁴⁴⁴ U.S. Department of Commerce, Bureau of the Census, 1992 Economic Census Industry and Enterprise Receipts Size Report, Table 2D (Bureau of Census data under contract to the Office of Advocacy of the SBA) (*1992 Economic Census Industry and Enterprise Receipts Size Report*).

⁴⁴⁵ 1987 SIC Manual.

⁴⁴⁶ 13 C.F.R. § 121.201.

⁴⁴⁷ 1992 Economic Census Industry and Enterprise Receipts Size Report, Table 2D.

⁴⁴⁸ 1987 SIC Manual.

⁴⁴⁹ 13 C.F.R. § 121.201.

⁴⁵⁰ 1992 Economic Census Industry and Enterprise Receipts Size Report, Table 2D.

⁴⁵¹ 1987 SIC Manual.

⁴⁵² 13 C.F.R. § 121.201.

⁴⁵³ 1992 Economic Census Industry and Enterprise Receipts Size Report, Table 2D.

Natural Gas Transmission and Distribution (SIC 4923). The SBA has classified this type of entity as a utility that transmits and distributes natural gas for sale.⁴⁵⁴ The Census Bureau reports that a total of 126 such entities were in operation for at least one year at the end of 1992. The SBA's definition of a small natural gas transmitter and distributor is a firm whose gross revenues do not exceed five million dollars.⁴⁵⁵ The Census Bureau reported that 43 of the 126 firms listed had total revenues below five million dollars in 1992.⁴⁵⁶

Natural Gas Distribution (SIC 4924). The SBA defines a natural gas distributor as an entity that distributes natural gas for sale.⁴⁵⁷ The Census Bureau reports that a total of 478 such firms were in operation for at least one year at the end of 1992. According to the SBA, a small natural gas distributor is an entity whose gross revenues do not exceed five million dollars.⁴⁵⁸ The Census Bureau reported that 267 of the 478 firms listed had total revenues below five million dollars in 1992.⁴⁵⁹

Mixed, Manufactured, or Liquefied Petroleum Gas Production and/or Distribution (SIC 4925). The SBA has classified this type of entity as a utility that engages in the manufacturing and/or distribution of the sale of gas.⁴⁶⁰ These mixtures may include natural gas. The Census Bureau reports that a total of 43 such firms were in operation for at least one year at the end of 1992. The SBA's definition of a small mixed, manufactured or liquefied petroleum gas producer or distributor is a firm whose gross revenues do not exceed five million dollars.⁴⁶¹ The Census Bureau reported that 31 of the 43 firms listed had total revenues below five million dollars in 1992.⁴⁶²

Gas and Other Services Combined (SIC 4932). The SBA has classified this entity as a gas company whose business is less than 95% gas, in combination with other services.⁴⁶³ The Census Bureau reports that a total of 43 such firms were in operation for at least one year at the end of 1992. According to the SBA, a small gas and other services combined utility is a firm whose gross revenues do not exceed five million dollars.⁴⁶⁴ The Census Bureau reported that 24 of the 43 firms listed had total revenues below five million dollars in 1992.⁴⁶⁵

⁴⁵⁴ 1987 SIC Manual.

⁴⁵⁵ 13 C.F.R. § 121.201.

⁴⁵⁶ 1992 Economic Census Industry and Enterprise Receipts Size Report, Table 2D.

⁴⁵⁷ 1987 SIC Manual.

⁴⁵⁸ 13 C.F.R. § 121.201.

⁴⁵⁹ 1992 Economic Census Industry and Enterprise Receipts Size Report, Table 2D.

⁴⁶⁰ 1987 SIC Manual.

⁴⁶¹ 13 C.F.R. § 121.201.

⁴⁶² 1992 Economic Census Industry and Enterprise Receipts Size Report, Table 2D.

⁴⁶³ 1987 SIC Manual.

⁴⁶⁴ 13 C.F.R. § 121.201.

⁴⁶⁵ 1992 Economic Census Industry and Enterprise Receipts Size Report, Table 2D.

(3) Water Supply (SIC 4941)

The SBA defines a water utility as a firm who distributes and sells water for domestic, commercial and industrial use.⁴⁶⁶ The Census Bureau reports that a total of 3,169 water utilities were in operation for at least one year at the end of 1992. According to SBA's definition, a small water utility is a firm whose gross revenues do not exceed five million dollars.⁴⁶⁷ The Census Bureau reported that 3,065 of the 3,169 firms listed had total revenues below five million dollars in 1992.⁴⁶⁸

(4) Sanitary Systems (SIC 4952, 4953 & 4959)

Sewerage Systems (SIC 4952). The SBA defines a sewage firm as a utility whose business is the collection and disposal of waste using sewage systems.⁴⁶⁹ The Census Bureau reports that a total of 410 such firms were in operation for at least one year at the end of 1992. According to SBA's definition, a small sewerage system is a firm whose gross revenues did not exceed five million dollars.⁴⁷⁰ The Census Bureau reported that 369 of the 410 firms listed had total revenues below five million dollars in 1992.⁴⁷¹

Refuse Systems (SIC 4953). The SBA defines a firm in the business of refuse as an establishment whose business is the collection and disposal of refuse "by processing or destruction or in the operation of incinerators, waste treatment plants, landfills, or other sites for disposal of such materials."⁴⁷² The Census Bureau reports that a total of 2,287 such firms were in operation for at least one year at the end of 1992. According to SBA's definition, a small refuse system is a firm whose gross revenues do not exceed six million dollars.⁴⁷³ The Census Bureau reported that 1,908 of the 2,287 firms listed had total revenues below six million dollars in 1992.⁴⁷⁴

Sanitary Services, Not Elsewhere Classified (SIC 4959). The SBA defines these firms as engaged in sanitary services.⁴⁷⁵ The Census Bureau reports that a total of 1,214 such firms were in operation for at least one year at the end of 1992. According to SBA's definition, a small sanitary service firm's gross revenues do not exceed five million dollars.⁴⁷⁶ The Census Bureau reported that 1,173 of the 1,214 firms listed had total revenues below five million dollars in 1992.⁴⁷⁷

⁴⁶⁶ 1987 SIC Manual.

⁴⁶⁷ 13 C.F.R. § 121.201.

⁴⁶⁸ 1992 Economic Census Industry and Enterprise Receipts Size Report, Table 2D.

⁴⁶⁹ 1987 SIC Manual.

⁴⁷⁰ 13 C.F.R. § 121.201.

⁴⁷¹ 1992 Economic Census Industry and Enterprise Receipts Size Report, Table 2D.

⁴⁷² 1987 SIC Manual.

⁴⁷³ 13 C.F.R. § 121.201.

⁴⁷⁴ 1992 Economic Census Industry and Enterprise Receipts Size Report, Table 2D.

⁴⁷⁵ 1987 SIC Manual.

⁴⁷⁶ 13 C.F.R. § 121.201.

⁴⁷⁷ 1992 Economic Census Industry and Enterprise Receipts Size Report, Table 2D.

(5) Steam and Air Conditioning Supply (SIC 4961)

The SBA defines a steam and air conditioning supply utility as a firm who produces and/or sells steam and heated or cooled air.⁴⁷⁸ The Census Bureau reports that a total of 55 such firms were in operation for at least one year at the end of 1992. According to SBA's definition, a steam and air conditioning supply utility is a firm whose gross revenues do not exceed nine million dollars.⁴⁷⁹ The Census Bureau reported that 30 of the 55 firms listed had total revenues below nine million dollars in 1992.⁴⁸⁰

(6) Irrigation Systems (SIC 4971)

The SBA defines irrigation systems as firms who operate water supply systems for the purpose of irrigation.⁴⁸¹ The Census Bureau reports that a total of 297 firms were in operation for at least one year at the end of 1992. According to SBA's definition, a small irrigation service is a firm whose gross revenues do not exceed five million dollars.⁴⁸² The Census Bureau reported that 286 of the 297 firms listed had total revenues below five million dollars in 1992.⁴⁸³

c. Building Owners and Managers

The rule changes adopted today will affect multiple dwelling unit operators and real estate agents and managers.

(1) Multiple Dwelling Unit Operators (SIC 6512, SIC 6513, SIC 6514)

The SBA has developed definitions of small entities for operators of nonresidential buildings, apartment buildings, and dwellings other than apartment buildings, which include all such companies generating \$5 million or less in revenue annually.⁴⁸⁴ According to the Census Bureau, there were 26,960 operators of nonresidential buildings generating less than \$5 million in revenue that were in operation for at least one year at the end of 1992.⁴⁸⁵ Also according to the Census Bureau, there were 39,903 operators of apartment dwellings generating less than \$5 million in revenue that were in operation for at least one

⁴⁷⁸ 1987 SIC Manual.

⁴⁷⁹ 13 C.F.R. § 121.201.

⁴⁸⁰ 1992 Economic Census Industry and Enterprise Receipts Size Report, Table 2D.

⁴⁸¹ 1987 SIC Manual.

⁴⁸² 13 C.F.R. § 121.201.

⁴⁸³ 1992 Economic Census Industry and Enterprise Receipts Size Report, Table 2D.

⁴⁸⁴ 13 C.F.R. § 121.601 (SIC 6512, SIC 6513, SIC 6514).

⁴⁸⁵ 1992 Economic Census of Financial, Insurance and Real Estate Industries, Establishment and Firm Size Report, Table 4, SIC 6512 (U.S. Bureau of the Census data under contract to the Office of Advocacy of the U.S. Small Business Administration) (1992 Economic Census of Financial, Insurance and Real Estate Industries, Establishment and Firm Size Report).

year at the end of 1992.⁴⁸⁶ The Census Bureau provides no separate data regarding operators of dwellings other than apartment buildings, and we are unable at this time to estimate the number of such operators that would qualify as small entities.

(2) Real Estate Agents and Managers (SIC 6531)

The SBA defines real estate agents and managers as establishments primarily engaged in renting, buying, selling, managing, and appraising real estate for others.⁴⁸⁷ According to SBA's definition, a small real estate agent or manager is a firm whose revenues do not exceed 1.5 million dollars.⁴⁸⁸

d. Neighborhood Associations

The extension of the OTARD rules adopted today will affect neighborhood associations. The Regulatory Flexibility Act defines "small organization" as "any not-for-profit enterprise which is independently owned and operated and is not dominant in its field."⁴⁸⁹ This definition includes homeowner and condominium associations that operate as not-for-profit organizations. The Community Associations Institute estimates that there are 205,000 such associations.⁴⁹⁰

e. Municipalities

The extension of the OTARD rules adopted today will affect neighborhood associations. The term "small governmental jurisdiction" is defined as "governments of . . . districts, with a population of less than 50,000."⁴⁹¹ As of 1992, there were approximately 85,006 governmental entities in the United States.⁴⁹² This number includes such entities as states, counties, cities, utility districts and school districts. Of the 85,006 governmental entities, 38,978 are counties, cities and towns. The remainder are primarily utility districts, school districts, and states. Of the 38,978 counties, cities and towns, 37,566, or 96%, have populations of fewer than 50,000.⁴⁹³ The Census Bureau estimates that this ratio is approximately accurate for all governmental entities. Thus, of the 85,006 governmental entities, we estimate that 81,606 (96%) are small entities.

f. Cable Services or Systems

⁴⁸⁶ 1992 *Economic Census of Financial, Insurance and Real Estate Industries, Establishment and Firm Size Report*, Table 4, SIC 6513.

⁴⁸⁷ 1987 *SIC Manual*.

⁴⁸⁸ 13 C.F.R. § 121.201.

⁴⁸⁹ See 5 U.S.C. § 601(4).

⁴⁹⁰ CAI IRFA Response at 5 (filed Aug. 27, 1999).

⁴⁹¹ 5 U.S.C. § 601(5).

⁴⁹² U.S. Department of Commerce, Bureau of the Census, "1992 Census of Governments."

⁴⁹³ *Id.*

The SBA has developed a definition of small entities for cable and other pay television services, which includes all such companies generating \$11 million or less in revenue annually.⁴⁹⁴ This definition includes cable systems operators, closed circuit television services, direct broadcast satellite services, multipoint distribution systems, satellite master antenna systems and subscription television services. According to the Census Bureau data from 1992, there were 1,788 total cable and other pay television services and 1,423 had less than \$11 million in revenue.⁴⁹⁵

The Commission has developed its own definition of a small cable system operator for purposes of rate regulation. Under the Commission's rules, a "small cable company" is one serving fewer than 400,000 subscribers nationwide.⁴⁹⁶ Based on our most recent information, we estimate that there were 1,439 cable operators that qualified as small cable system operators at the end of 1995.⁴⁹⁷ Since then, some of those companies may have grown to serve over 400,000 subscribers, and others may have been involved in transactions that caused them to be combined with other cable operators. Consequently, we estimate that there are fewer than 1,439 small entity cable system operators.

The Communications Act also contains a definition of a small cable system operator, which is "a cable operator that, directly or through an affiliate, serves in the aggregate fewer than 1 percent of all subscribers in the United States and is not affiliated with any entity or entities whose gross annual revenues in the aggregate exceed \$250,000,000."⁴⁹⁸ The Commission has determined that there are 66,690,000 subscribers in the United States. Therefore, we found that an operator serving fewer than 666,900 subscribers shall be deemed a small operator, if its annual revenues, when combined with the total annual revenues of all of its affiliates, do not exceed \$250 million in the aggregate.⁴⁹⁹ Based on available data, we find that the number of cable operators serving 666,900 subscribers or less totals 1,450.⁵⁰⁰ We do not request nor do we collect information concerning whether cable system operators are affiliated with entities whose gross annual revenues exceed \$250,000,000,⁵⁰¹ and thus are unable at this time to estimate with greater precision the number of cable system operators that would qualify as small cable operators under the definition in the Communications Act.

g. International Services

⁴⁹⁴ 13 C.F.R. § 121.201, SIC code 4841.

⁴⁹⁵ 1992 *Economic Census Industry and Enterprise Receipts Size Report*, Table 2D, SIC code 4841 (U.S. Bureau of the Census data under contract to the Office of Advocacy of the U.S. Small Business Administration).

⁴⁹⁶ 47 C.F.R. § 76.901(e). The Commission developed this definition based on its determination that a small cable system operator is one with annual revenues of \$100 million or less. *Implementation of Sections of the 1992 Cable Act: Rate Regulation, Sixth Report and Order and Eleventh Order on Reconsideration*, 10 FCC Rcd 7393 (1995), 60 FR 10534 (Feb. 27, 1995).

⁴⁹⁷ Paul Kagan Associates, Inc., *Cable TV Investor*, Feb. 29, 1996 (based on figures for Dec. 30, 1995).

⁴⁹⁸ 47 U.S.C. § 543(m)(2).

⁴⁹⁹ 47 C.F.R. § 76.1403(b).

⁵⁰⁰ Paul Kagan Associates, Inc., *Cable TV Investor*, Feb. 29, 1996 (based on figures for Dec. 30, 1995).

⁵⁰¹ We do receive such information on a case-by-case basis only if a cable operator appeals a local franchise authority's finding that the operator does not qualify as a small cable operator pursuant to Section 76.1403(b) of the Commission's Rules. See 47 CFR § 76.1403(d).

The Commission has not developed a definition of small entities applicable to licensees in the international services. Therefore, the applicable definition of small entity is generally the definition under the SBA rules applicable to Communications Services, Not Elsewhere Classified (NEC).⁵⁰² This definition provides that a small entity is expressed as one with \$11.0 million or less in annual receipts.⁵⁰³

According to the Census Bureau, there were a total of 848 communications services providers, NEC, in operation in 1992, and a total of 775 had annual receipts of less than \$9.999 million.⁵⁰⁴ The Census report does not provide more precise data.

International Broadcast Stations. Commission records show that there are 20 international broadcast station licensees. We do not request or collect annual revenue information, and thus are unable to estimate the number of international broadcast licensees that would constitute a small business under the SBA definition. However, the Commission estimates that only six international broadcast stations are subject to regulatory fee payments.

International Public Fixed Radio (Public and Control Stations). There are 3 licensees in this service subject to payment of regulatory fees. We do not request or collect annual revenue information, and thus are unable to estimate the number of international broadcast licensees that would constitute a small business under the SBA definition.

Fixed Satellite Transmit/Receive Earth Stations. There are approximately 2,679 earth station authorizations, a portion of which are Fixed Satellite Transmit/Receive Earth Stations. We do not request or collect annual revenue information, and thus are unable to estimate the number of the earth stations that would constitute a small business under the SBA definition.

Fixed Satellite Small Transmit/Receive Earth Stations. There are approximately 2,679 earth station authorizations, a portion of which are Fixed Satellite Small Transmit/Receive Earth Stations. We do not request or collect annual revenue information, and thus are unable to estimate the number of fixed satellite transmit/receive earth stations that would constitute a small business under the SBA definition.

Mobile Satellite Earth Stations. There are 11 licensees. We do not request or collect annual revenue information, and thus are unable to estimate the number of mobile satellite earth stations that would constitute a small business under the SBA definition.

Radio Determination Satellite Earth Stations. There are four licensees. We do not request or collect annual revenue information, and thus are unable to estimate the number of radio determination satellite earth stations that would constitute a small business under the SBA definition.

Direct Broadcast Satellites. Because DBS provides subscription services, DBS falls within the SBA-recognized definition of "Cable and Other Pay Television Services."⁵⁰⁵ This definition provides

⁵⁰² An exception is the Direct Broadcast Satellite (DBS) Service, *infra*.

⁵⁰³ 13 C.F.R. § 120.121, SIC code 4899.

⁵⁰⁴ 1992 *Economic Census Industry and Enterprise Receipts Size Report*, Table 2D, SIC code 4899 (U.S. Bureau of the Census data under contract to the Office of Advocacy of the U.S. Small Business Administration).

⁵⁰⁵ 13 C.F.R. § 120.121, SIC code 4841.

that a small entity is one with \$11.0 million or less in annual receipts.⁵⁰⁶ As of December 1996, there were eight DBS licensees. However, the Commission does not collect annual revenue data for DBS and, therefore, is unable to ascertain the number of small DBS licensees that would be impacted by these proposed rules. Although DBS service requires a great investment of capital for operation, there are several new entrants in this field that may not yet have generated \$11 million in annual receipts, and therefore may be categorized as small businesses, if independently owned and operated.

Fixed Satellite Very Small Aperture Terminal (VSAT) Systems. These stations operate on a primary basis, and frequency coordination with terrestrial microwave systems is not required. Thus, a single "blanket" application may be filed for a specified number of small antennas and one or more hub stations. The Commission has processed 377 applications. We do not request nor collect annual revenue information, and thus are unable to estimate the number of VSAT systems that would constitute a small business under the SBA definition.

h. Multipoint Distribution Service (MDS).

MDS involves a variety of transmitters, which are used to relay programming to the home or office, similar to that provided by cable television systems.⁵⁰⁷ In connection with the 1996 MDS auction, the Commission defined small businesses as entities that had annual average gross revenues for the three preceding years not in excess of \$40 million.⁵⁰⁸ This definition of a small entity in the context of MDS auctions has been approved by the SBA.⁵⁰⁹ These stations were licensed prior to implementation of Section 309(j) of the Communications Act of 1934, as amended.⁵¹⁰ Licenses for new MDS facilities are now awarded to auction winners in Basic Trading Areas (BTAs) and BTA-like areas.⁵¹¹ The MDS auctions resulted in 67 successful bidders obtaining licensing opportunities for 493 BTAs. Of the 67 auction winners, 61 meet the definition of a small business. There are 2,050 MDS stations currently licensed. Thus, we conclude that there are 1,634 MDS providers that are small businesses as deemed by the SBA and the Commission's auction rules.

i. Wireless Services

Broadband Personal Communications Service (PCS). The broadband PCS spectrum is divided into six frequency blocks designated A through F, and the Commission has held auctions for each block. The Commission defined "small entity" for Blocks C and F as an entity that has average gross revenues

⁵⁰⁶ 13 C.F.R. § 121.201, SIC code 4841.

⁵⁰⁷ For purposes of this item, MDS includes both the single channel Multipoint Distribution Service (MDS) and the Multichannel Multipoint Distribution Service (MMDS).

⁵⁰⁸ 47 C.F.R. § 1.2110 (a)(1).

⁵⁰⁹ Amendment of Parts 21 and 74 of the Commission's Rules with Regard to Filing Procedures in the Multipoint Distribution Service and in the Instructional Television Fixed Service and Implementation of Section 309(j) of the Communications Act - Competitive Bidding, 10 FCC Rcd 9589 (1995), 60 FR 36524 (Jul. 17, 1995).

⁵¹⁰ 47 U.S.C. § 309(j).

⁵¹¹ *Id.* A Basic Trading Area (BTA) is the geographic area by which the Multipoint Distribution Service is licensed. See Rand McNally 1992 *Commercial Atlas and Marketing Guide*, 123rd Edition, pp. 36-39.